

" Attachment A "

FYI, below is an excerpt of an email I got from a group which is watching the gas prices. Note the big swings in prices. What's interesting is that Aloha buys it's gas from Chevron. Here is the excerpt:

"Here is another possibility of game playing by Shell , Tesoro and Chevron. Across City Mill on Waialae Ave Shell priced premium at \$3.93/gal. Across the street Aloha was at \$3.33, or a 60 cent diff. Further up the street The Shell station was at \$3.94 and Aloha a block away was at \$3.32. Chevron at Kahala was at \$3.93.

A look at the <http://honolulugasprices.com/> will reflect this thru out the island...Tesoro is also at similar high prices... ***Here's what it does: since between the three they represent 65% of the gasoline sold.. This in turn would boast the average price higher than it should be when compared to the ave of the mainland...This is the stuff that makes the news paper which they claim is caused by the gas cap.....62 cents (italics added).***"

One thing the gas cap law did was to increase the profit margins for retailers. Pre-gas cap law profit margins were very thin - 3 to 4 cents a gallon - because the wholesale price was very high. Today the gas cap holds down wholesale prices -- and retailers are constrained by only what the market will bear (the Advertiser wrongly reports the retail margin is 12 cents). So there should be competition at the retail level. The prices quoted above, however, suggest there is virtually no competition among the Chevron, Shell and Tesoro retail dealers.